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**WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1**

Vermilion Parish, Louisiana

Financial Report

Year Ended December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-21-06

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**Board of Commissioners
Ward One Consolidated Gravity
Drainage District #1
Vermilion Parish, Louisiana**

INDEPENDENT AUDITORS' REPORT

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We have audited the accompanying financial statements of the governmental activities and major fund of the Ward One Consolidated Gravity Drainage District #1 (the Drainage District), a component unit of the Vermilion Parish Police Jury, as of and for the year ended December 31, 2005, which collectively comprise the Drainage District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Drainage District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Drainage District, as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 4, 2006, on our consideration of the Drainage District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The Drainage District has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined necessary to supplement, although not required to be part of, the basic financial statements.

The required supplementary information on page 24, is not a required part of the basic financial statements but is supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Ward One Consolidated Gravity Drainage District #1. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 4, 2006

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1

Statement of Net Assets
December 31, 2005

ASSETS

Cash and interest-bearing deposits	\$ 243,139
Due from other governmental units	217,364
Prepaid items	2,062
Capital assets, net	<u>252,129</u>
Total assets	<u>714,694</u>

LIABILITIES

Accounts and other payables	<u>9,118</u>
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NET ASSETS

Invested in capital assets	252,129
Unrestricted	<u>453,447</u>
Total net assets	<u>\$ 705,576</u>

The accompanying notes are an integral part of the basic financial statements.

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1

Statement of Activities
Year Ended December 31, 2005

Expenses:	
Public works	\$ 297,114
Interest on long-term debt	<u>1,407</u>
Total expenses	<u>298,521</u>
General revenues:	
Ad valorem taxes	247,907
State revenue sharing	19,783
Interest and investment earnings	2,882
Oil lease and royalties	<u>13,730</u>
Total general revenues	<u>284,302</u>
Change in net assets	<u>(14,219)</u>
Net assets, beginning	<u>719,795</u>
Net assets, ending	<u>\$ 705,576</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1

Balance Sheet - Governmental Fund
December 31, 2005

ASSETS

Cash and cash equivalents	\$ 243,139
Ad valorem taxes receivable	217,364
Prepaid insurance	<u>2,062</u>
Total assets	<u>\$ 462,565</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 4,858
Payroll taxes payable	<u>4,260</u>
Total liabilities	<u>9,118</u>
Fund balance:	
Reserved for prepaids	2,062
Unreserved, undesignated	<u>451,385</u>
Total fund equity	<u>453,447</u>
Total liabilities and fund balance	<u>\$ 462,565</u>

The accompanying notes are an integral part of the basic financial statements.

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
December 31, 2005

Total fund balance for the governmental fund at December 31, 2005		\$453,447
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	305	
Equipment, net of \$375,818 accumulated depreciation	<u>251,824</u>	252,129
Total net assets of governmental activities at December 31, 2005		<u>\$705,576</u>

The accompanying notes are an integral part of the basic financial statements.

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund

For the Year Ended December 31, 2005

Revenues:	
Taxes	\$ 247,907
State revenue sharing	19,783
Oil lease and royalties	13,730
Interest and investment earnings	<u>2,882</u>
Total revenues	<u>284,302</u>
Expenditures:	
Current -	
Public works - drainage	247,579
Capital outlay	1,989
Debt service -	
Principal retirement	83,754
Interest and fiscal charges	<u>1,554</u>
Total expenditures	<u>334,876</u>
Net change in fund balance	(50,574)
Fund balance, beginning	<u>504,021</u>
Fund balance, ending	<u>\$ 453,447</u>

The accompanying notes are an integral part of the basic financial statements.

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2005

Total net changes in fund balance at December 31, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balance			\$ (50,574)
The change in net assets reported for governmental activities in the statement of activities is different because:			
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	1,989		
Depreciation expense for the year ended December 31, 2005	<u>(49,535)</u>	(47,546)	
Add: Notes and capital lease principal retirement considered as an expenditure on Statement of Revenues and Expenditures and Changes in Fund Balance			83,754
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis			<u>147</u>
Total changes in net assets at December 31, 2005 per Statement of Activities			<u>\$ (14,219)</u>

The accompanying notes are an integral part of the basic financial statements.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Ward One Consolidated Gravity Drainage District #1 (the Drainage District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements the Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the police jury created the District and appoints its board of commissioners, the Drainage District was determined to be a component unit of the Vermilion Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Drainage District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Drainage District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. Fund Accounting

The accounts of the Drainage District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Drainage District maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

The major fund of the Drainage District is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Drainage District. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

E. Assets, Liabilities and Equity

Cash, interest-bearing deposits and investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts and certificates of deposits of the Drainage District.

Under state law, the District may invest in United States bonds, treasury notes, or certificates of deposits. Investments are stated at amortized costs.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities are ad valorem taxes.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Drainage District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-10 years
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Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Full time employees of the Drainage District with more than one year of service are allowed two weeks of vacation leave each year; full-time employees with one year of service or less are allowed one week of vacation leave each year. Vacation leave does not accumulate from year to year. Sick leave accumulates from year to year up to 144 days but is not paid to the employee upon termination of employment. Full-time employees are allowed one and one half days sick leave for each month worked beginning with the day they are employed. At December 31, 2005 employees of the Drainage District have no accumulated or vested leave benefits relating to vacation or sick leave that require accrual or disclosure to conform with generally accepted accounting principles.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. Revenues, Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character.

G. Budgetary Practices

The Drainage District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Drainage District's Secretary/Treasurer prepares a proposed budget and presents it to the Board of Commissioners prior to ninety days before the beginning of each fiscal year.
2. Any changes in the proposed annual operating budget requires a majority vote of the Board of Commissioners.
3. No later than the last regular meeting of the fiscal year, the Board of Commissioners adopts the annual operating budget for the ensuing fiscal year.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budget appropriations lapse at year-end.

H. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Drainage District as an extension of formal budgetary integration in the funds.

(2) Cash and Interest-Bearing Deposits

Under state law, the Drainage District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Drainage District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2005, the Drainage District has cash and interest-bearing deposits (book balances) totaling \$243,139, as follows:

Interest-bearing demand and savings accounts	<u>\$243,139</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. Deposit balances (bank balances) at December 31, 2005, are secured as follows:

Bank balances	<u>\$ 244,199</u>
Federal deposit insurance	200,000
Pledged securities (Category 3)	<u>44,199</u>
Total federal deposit insurance and pledged securities	<u>\$ 244,199</u>

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Drainage District's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Drainage District that the fiscal agent has failed to pay deposited funds upon demand.

(3) Due from Other Governmental Units

Amounts due from other governmental units at December 31, 2005 consisted of the following:

Amount due from the Vermilion Parish Sheriff's Office for ad valorem tax	<u>\$217,364</u>
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(4) Capital Assets

Capital asset balances and activity for the year ended December 31, 2005 is as follows:

	Balance 01/01/05	Additions	Deletions	Balance 12/31/2005
Capital assets not being depreciated:				
Land	\$ 305	\$ -	\$ -	\$ 305
Capital assets being depreciated:				
Equipment	<u>626,951</u>	<u>1,989</u>	<u>1,298</u>	<u>627,642</u>
Total capital assets	627,256	1,989	1,298	627,947
Less accumulated depreciation:				
Equipment	<u>327,581</u>	<u>49,535</u>	<u>1,298</u>	<u>375,818</u>
Net capital assets	<u>\$ 299,675</u>	<u>\$ (47,546)</u>	<u>\$ -</u>	<u>\$ 252,129</u>

Depreciation expense of \$49,535 was charged to the public works function.

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

(5) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at December 31, 2005:

Accounts payable	\$4,858
Payroll taxes payable	<u>4,260</u>
Total	<u>\$9,118</u>

(6) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on November 15 and are actually billed to the taxpayers in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Tax revenues are recognized in the year they are billed.

The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the Drainage District net of deductions for Pension Fund Contributions.

For the year ended December 31, 2005, taxes of 15.62 mills were levied on property with net assessed valuations totaling \$17,609,970, and were dedicated to paying the administrative, operations and maintenance expenditures for the Drainage District.

Total taxes levied during 2005 were \$275,068. Taxes receivable at December 31, 2005 amounted to \$217,364.

(7) Compensation Paid Board of Commissioners

The schedule of compensation paid board of commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The per diem paid to board members is included in the expenditures of the General Fund. Each member of the board receives \$60 for each day of attendance at meetings of the board. The schedule of compensation at December 31, 2005 is as follows:

WARD ONE CONSOLIDATED GRAVITY DRAINAGE
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Notes to Financial Statements (Continued)

	<u>2005</u>
Rodney Dugas	\$ 660
Clifford Renard	720
Louis P. Bares	420
Kenneth Reaux	420
William Vallot	600
J. Wiley Romero	<u>720</u>
Total	<u>\$3,540</u>

(8) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Drainage District for the year ended December 31, 2005:

Balance, January 1, 2005	\$ 83,754
Additions	-
Deletions	<u>(83,754)</u>
Balance, December 31, 2005	<u>\$ -</u>

(9) Litigation

There was no litigation pending against the Drainage District at December 31, 2005.

**REQUIRED
SUPPLEMENTARY INFORMATION**

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2005

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 233,427	\$ 233,427	\$ 247,907	\$ 14,480
State revenue sharing	-	-	19,783	19,783
Oil lease and royalties	3,482	3,482	13,730	10,248
Interest income	768	768	2,882	2,114
Total revenues	<u>237,677</u>	<u>237,677</u>	<u>284,302</u>	<u>46,625</u>
Expenditures:				
Current -				
Public works - drainage	209,008	217,008	247,579	(30,571)
Capital outlay	-	-	1,989	(1,989)
Debt service:				
Principal payment	38,612	38,612	83,754	(45,142)
Interest	-	-	1,554	(1,554)
Total expenditures	<u>247,620</u>	<u>255,620</u>	<u>334,876</u>	<u>(79,256)</u>
Deficiency of revenues over expenditures	(9,943)	(17,943)	(50,574)	(32,631)
Fund balance, beginning	<u>504,021</u>	<u>504,021</u>	<u>504,021</u>	-
Fund balance, ending	<u>\$ 494,078</u>	<u>\$ 486,078</u>	<u>\$ 453,447</u>	<u>\$(32,631)</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2005
With Comparative Actual Amounts for the Year Ended December 31, 2004

	2005				
	Budget		Actual	Variance - Favorable (Unfavorable)	2004 Actual
	Original	Final			
Revenues:					
Taxes - ad valorem	\$ 233,427	\$ 233,427	\$ 247,907	\$ 14,480	\$ 275,614
State revenue sharing	-	-	19,783	19,783	20,733
Oil lease and royalties	3,482	3,482	13,730	10,248	3,207
Interest income	768	768	2,882	2,114	2,321
Total revenues	<u>237,677</u>	<u>237,677</u>	<u>284,302</u>	<u>46,625</u>	<u>301,875</u>
Expenditures:					
Current -					
Public works -					
Commissioner fees	4,400	4,400	3,540	860	3,900
Fuel and oil	17,000	22,000	21,428	572	18,643
Group insurance	21,000	21,000	17,034	3,966	22,280
Insurance	15,408	15,408	20,930	(5,522)	14,944
Miscellaneous	-	-	140	(140)	93
Office supplies	1,200	1,200	1,350	(150)	2,610
Pension expense	-	-	9,225	(9,225)	9,423
Professional fees	4,000	7,000	4,790	2,210	3,570
Property lease	1,500	1,500	1,500	-	1,375
Repairs	20,000	20,000	25,229	(5,229)	16,166
Salaries and wages	112,000	112,000	128,440	(16,440)	124,219
Spraying	1,500	1,500	2,513	(1,013)	2,513
Supplies	2,000	2,000	559	1,441	959
Taxes and licenses	9,000	9,000	9,826	(826)	7,288
Telephone	-	-	1,075	(1,075)	1,310
Capital outlay	-	-	1,989	(1,989)	-
Debt service:					
Principal payment	38,612	38,612	83,754	(45,142)	35,143
Interest	-	-	1,554	(1,554)	3,297
Total expenditures	<u>247,620</u>	<u>255,620</u>	<u>334,876</u>	<u>(79,256)</u>	<u>267,733</u>
(Deficiency) excess of revenues over expenditures	<u>(9,943)</u>	<u>(17,943)</u>	<u>(50,574)</u>	<u>(32,631)</u>	<u>34,142</u>
Other financing sources (uses):					
Sale of equipment	-	-	-	-	1,550
Transfers in	-	-	-	-	39,085
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,635</u>
(Deficiency) excess of revenue and other financing sources over expenditures and other uses	<u>(9,943)</u>	<u>(17,943)</u>	<u>(50,574)</u>	<u>(32,631)</u>	<u>74,777</u>
Fund balance, beginning	<u>504,021</u>	<u>504,021</u>	<u>504,021</u>	<u>-</u>	<u>429,244</u>
Fund balance, ending	<u>\$ 494,078</u>	<u>\$ 486,078</u>	<u>\$ 453,447</u>	<u>\$ (32,631)</u>	<u>\$ 504,021</u>

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

To the Board of Commissioners
Ward One Consolidated Gravity
Drainage District #1
Vermilion Parish, Louisiana

We have audited the financial statements of the Ward One Consolidated Gravity Drainage District #1, a component unit of the Vermilion Parish Police Jury as of and for the year ended December 31, 2005, and have issued our report thereon dated May 4, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Drainage District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Drainage District's ability to initiate record, process, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan at item 05-1(IC).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Drainage District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards which is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 05-2(C).

This report is intended solely for the information and use of the Drainage District's management and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 4, 2006

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2005

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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CURRENT YEAR (12/31/05) --

Internal Control:

05-1(IC)	Unknown	Due to the small number of employees, the Drainage District did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Larry Lee	N/A
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Compliance

05-2(C)	2004	Actual total expenditures in the General Fund exceeded budgeted expenditures more than 5%. LSA-RS 39:1311 requires the Drainage District to amend the budget when actual plus projected expenditures for the year exceed budgeted expenditures by 5% or more.	No	Management will closely monitor the budgeted and actual expenditures to determine if amendments to the original budget are necessary.	Larry Lee	12/31/2006
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(Continued)

WARD ONE CONSOLIDATED GRAVITY
DRAINAGE DISTRICT #1
Vermilion Parish, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2005

Ref. No.	Fiscal Year	Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (12/31/04) --							
<u>Internal Control:</u>							
04-1(IC)	Unknown		Due to the small number of employees, the Drainage District did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Larry Lee	N/A
<u>Compliance</u>							
04-2(C)	2004		Actual total expenditures in the General Fund exceeded budgeted expenditures by \$21,815 or 9%. LSA-RS 39:1311 requires the Drainage District to amend the budget when actual plus projected expenditures for the year exceed budgeted expenditures by 5% or more.	No	Management will closely monitor the budgeted and actual expenditures to determine if amendments to the original budget are necessary.	Larry Lee	12/31/2006